Davis-Bacon Certified Payroll Guidance

1. The certified payrolls may be submitted using the standard WH-347 form from the Department of Labor. However, contractors may also use their own payrolls provided it has all the required information from the WH-347.

2. All payroll certifications must be signed by an officer of the company. If someone other than an officer is designated to sign these documents, an authorization must be submitted to the engineer (or contracted equivalent) designating that individual to sign payroll certifications. The authorization must be signed by an officer of the company. (If using a letter, it must be on the contractor’s company letterhead).

3. Payrolls (including subcontractors) must be submitted on a weekly basis to the engineer (or contracted equivalent).

4. Payrolls must be numbered in sequence. “No Work” payrolls must be submitted when no work is performed, and must be numbered in the same sequence as work payrolls.

5. Job classifications must conform to those listed on the Wage Decision issued for the project. Equipment operators must show the type of equipment operated. Laborer must show the type of labor performed (pipelayer, unskilled labor, etc.)

6. Apprentices and Trainees must submit certification through the Department of Labor to be recognized as such and receive the appropriate wages.

7. Deductions from employee’s wages, other than those listed on the Payroll Deduction Authorization Form must be authorized by the employee by completing the above referenced form.

8. **Subcontractors must complete certified payrolls also and comply with all Davis-Bacon related items.**
Form WH-347 (or other) Completion Instructions

1. Each payroll must contain the following information:
   a. Worker’s name, and identifying number (e.g. last four digits of social security number) must be shown on all payrolls.
   b. Correct classification must be shown and must be a classification listed in the wage decision issued for the project.
   c. Hourly rate of pay must be in accordance with the wage decision. (*Rate may be more but not less than wage decision)
   d. Daily and total weekly number of hours worked.
   e. All deductions, net, and gross pay.
   f. If a worker works on other projects during a work week, the payrolls must show amount earned on the ARRA Project, total gross pay, and total deductions.
   g. Payroll Statement of Compliance
       i. Reverse side of Form WH 347-if using company payroll
       ii. A signed WH 347 form- if using the WH 347 form

2. Employees must be paid at least the minimum hourly rate of the classification for every hour worked. This minimum rate applies to workers paid by salary unless they are supervisors, foremen or owners.
   Exceptions: Supervisors and foremen are not subject to minimum pay requirements. However, if they work more than 20 percent of the time during a work week doing none supervisory jobs (machine operator pipelaying, etc.), they must be shown as a worker and must meet the minimum pay requirements.

3. No contractor should employ an apprentice until written evidence is obtained that each is registered individually by the appropriate State or Federal apprenticeship agency. The written evidence should supply the wage-rate step of the apprentice agency, or should supply the date required for a determination of the wage-rate step.

4. Where indicated on the wage determination, fringe benefits must be paid to the worker either in cash, or by claiming fringe benefits.

5. Employees must be paid weekly, and payrolls submitted weekly.

6. Payrolls must be properly dated and numbered in sequence. The project number and name must be shown on each payroll. The first payroll submitted should be marked “Initial.” The last submission should be noted as “Final.”

7. Subcontractors’ payrolls should be checked and corrected by the prime contractor before submitting to the engineer (or contracted equivalent).

8. A laborer or mechanic who performs work on the project in more than one classification during a workweek shall be classified and paid at the highest wage rate applicable to any of the work which he performed unless the payroll shows hours worked and wages paid for each classification.

9. When no work is performed during a week, a Payroll Statement of Compliance stating “No Work” must be submitted. These “No Work” statements must be numbered in sequence with work payrolls. If no work is expected for a long period of time, a “No Work” Statement of Compliance may be submitted showing the estimated date work will resume.
10. A Self-Employed Owner with no other workers, must be shown on the contractors’ payroll, unless the self-employed owner is a bona fide subcontractor. The following information should be shown on the payroll:
   a. Name, and identifying number (e.g., last four digits of social security number) on all payrolls.
   b. Enter “Self-Employed” in the Work Classification Column. (Ex: Painter/Self-Employed)
   c. Hours worked (daily and total), method of payment (hourly, piece mill, etc.) and Gross amount earned.

11. A bona fide subcontractor with no other workers must submit payrolls showing the following information:
   a. Name, and identifying number (e.g. last four digits of social security number) on all payrolls.
   b. Under name enter the phrase: “owner”
   c. Enter total hours worked for the week.

12. Contractors and bona fide subcontractors with other workers, where the Owner or Owners will be performing work (more than 20 percent of the time during a work week) on the site must include themselves on payrolls and show the following:
   a. Name, and identifying number (e.g. last four digits of social security number) on all payrolls.
   b. In the work classification column, enter “Owner”.
   c. Total hours worked.

Note: A bona fide subcontractor must have a signed agreement with the Contractor containing Federal Labor Standards, and a copy of the Wage Decision issued for the project.
Preparation of Statement of Compliance

This statement of compliance meets requirements of an amendment of the Davis-Bacon Act to include fringe benefits provisions. Under this amended law, the contractor is required to pay fringe benefits as predetermined by the Department of Labor, in addition to payment of the minimum rates. The contractor’s obligation to pay fringe benefits may be met by payment of fringes to the various plans, funds or programs or by making these payments to the employees as cash in lieu of fringes.

The contractor should show on the face of his payroll all monies paid to the employees whether as basic rates or as cash in lieu of fringes. The contractor shall represent in the statement of compliance that he is paying to others fringes required by the contract and not paid as cash in lieu of fringes. Detailed instructions follow:

Contractors who pay all required fringe benefits:
A contractor who pays fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of Labor shall continue to show on the face of his payroll the basic cash hourly rate and overtime rate paid to his employees, just as he has always done. Such a contractor shall check paragraph 4(a) of the statement to indicate that he is also paying to approved plans, funds, or programs not less that the amount predetermined as fringe benefits for each craft. Any exception shall be noted in Section 4(c).

Contractors who pay no fringe benefits:
A contractor who pays no fringe benefits shall pay to the employee and insert in the straight time hourly rate column of his payroll an amount not less than that of the predetermined rate of each classification plus the amount of fringe benefits determined for each classification in the applicable wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringes, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on the basic or regular rate plus the required cash in lieu of fringes at the straight time rate. To simplify computation of overtime, it is suggested that the straight time basic rate and cash in lieu of fringes be separately stated in the hourly rate column, thus $3.25/.40. In addition, the contractor shall check paragraph 4(b) of the statement to indicate that he is paying fringe benefits in cash directly to his employees. Any exceptions shall be noted in Section 4(c).

Use of Section 4(c), Exceptions
Any contractor who is to make payment to approved plans, funds, or programs in amounts less than the wage determination requires in obliged to pay the deficiency directly to the employees as cash in lieu of fringes. Any exceptions to Section 4(a) or 4 (b), whichever the contractor may check, shall be entered in Section 4(c). Enter in the Exception column the craft and enter in the Explanation column the hourly amount paid the employees as cash in lieu of fringes and the hourly amount paid to plans, funds, or programs as fringes.